

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re:

FRANCHISE GROUP, INC., *et al.*

Debtors.

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)  
) Chapter 11  
)  
) Case No. 24-12480 (JTD)  
)  
) (Jointly Administered)  
) Objection Deadline 1/3/2025  
) Related to Docket # 487

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF 2205  
FEDERAL INVESTORS, LLC TO DEBTORS' NOTICE OF POSSIBLE  
ASSUMPTION AND ASSIGNMENT AND CURE COSTS WITH RESPECT TO  
EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Comes Now, 2205 Federal Investors, LLC ("Landlord") by and through the undersigned counsel and files this Limited Objection and Reservation of Rights to Debtors' Notice of Possible Assumption and Assignment and Cure Costs With Respect to Executory Contracts and Unexpired Leases (the "Notice") and in furtherance thereof states as follows:

1. Landlord and the Debtor are parties to the unexpired nonresidential real property lease ("**Lease**") for the premises located at 2205 N. Federal Highway, Fort Lauderdale, FL 33305 (store #101) which is operated as a Vitamin Shoppe.

2. Debtors filed their case under Chapter 11 of the Bankruptcy Code ("Bankruptcy Code") on November 3, 2024 ("Petition Date"). Debtors continue to act as debtors-in-possession pursuant to Bankruptcy Code §§ 1107 and 1108.

3. Debtors filed the Notice on December 20, 2024. which identifies the Lease as one subject to possible Assumption and Assignment and which lists the cure as 0.

**Objection to Cure Amount**

4. Landlord objects to the Cure Costs of "\$0.00". Debtors' annual land lease payment is due in advance for its store located at 2205 N. Federal Highway, Fort Lauderdale, FL 33305 (store #101). Debtors' portion of the land lease payment is **\$18,005.31** including applicable sales tax. of which Debtors have only paid \$ 2,902.50. These payments are due in accordance with the underlying "**Amended and Restated Ground Lease Agreement**" (1993) as referenced by the Vitamin Shoppe's bond type, absolute triple net lease dated April 4, 2001 and subsequent amendments, most recently the 5th amendment dated 1/20/2020. Consequently, Debtors still owes the balance of **\$15,102.81** for the land lease payments which must be included in any cure. In addition, Debtors will owe \$579.16 for unpaid taxes to Broward County, which payment is due on or before December 31, 2024.

5. Consequently, the correct cure as of December 31, 2024 is \$15,681.97.

6. Furthermore, additional amounts may come due regarding the Actual Cure Cost, and Debtors will remain liable for all such amounts as they come due under the Lease.

7. Bankruptcy Code § 365(b) provides that a debtor may not assume an executory contract or unexpired lease unless the debtor cures, or provides adequate assurance that it will cure, defaults in such executory contract or unexpired lease. Thus, any order approving cure costs and assumption of the Lease must require that Debtors escrow and/or segregate sufficient funds to fully compensate Landlord for at least the Actual Cure Cost.

8. Landlord will continue to incur charges under the Lease through the effective date(s) of any assumption of the Lease and reserve all rights regarding the same.

9. Based on the foregoing, and as a condition to any assumption of each of the Lease, Debtors must first pay Landlord the Actual Cure Cost, plus any and all additional unpaid charges incurred under the Lease through the effective date of any assumption(s) of the Lease.

10. Landlord reserves the right to supplement, modify, and/or amend this Objection and make any and such other and further objections to the Motion and related transactions, including any assumption and/or assignment of any of the Leases. Nothing set forth in this Objection shall constitute a waiver, discharge, or disallowance of any rights, claims, causes of actions, or defenses that Landlord has asserted or may assert against Debtors.

**WHEREFORE**, Landlord request that the Court enter an Order denying assumption of the Lease unless and until the Debtors cure the existing default and pays to Landlord the Actual Cure Cost set forth above, plus all additional charges incurred under the Lease through the assumption's effective date.

Dated: December 26, 2024

**MONZACK MERSKY AND BROWDER, P.A.**

/s/ Rachel B. Mersky

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